



## A note from our President

Greetings,

Last week, the California cap-and-trade program earned a major legal victory when the [California Supreme Court unanimously declined](#) to hear a lawsuit brought by the California Chamber of Commerce and the Morning Star Packing Co challenging the state's allowance auctions as an illegal tax. This decision upholds the appellate court finding in favor of the California Air Resources Board, and brings greater certainty to the market and to discussions to extend the program.

Governor Jerry Brown and the California legislature have been working diligently on reauthorizing cap-and-trade post 2020, with the governor strongly backing a 2/3 supermajority vote. [New draft proposals](#) being circulated in Sacramento propose a haircut in the offset limit from 8 to 6 percent and include an emphasis on offsets produced in California.

The Reserve is continuing our education efforts to help inform thought leaders and decision makers on the role of offsets in supporting the state's compliance program. A lot of misinformation exists on offsets and their impact. The facts are that offset projects achieve real, additional, permanent, verifiable, and enforceable emissions reductions. Offset projects bring direct climate and clean air benefits to the State of California. To date, offsets used in the cap-and-trade program have achieved 16 million tons of carbon dioxide emissions from 54 projects located in California.

In addition to climate benefits, offsets provide economic benefits through investment in low-carbon jobs, development of new marketable skills for project employees, and reduced cost of compliance. Offsets are an effective cost-containment tool, which 110 compliance entities have utilized since the cap-and-trade program began in 2012. Without offsets, allowance prices are estimated to be 38 percent higher by 2030.

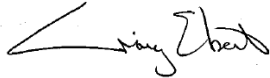
Offsets also often provide important health and environmental co-benefits to communities immediately surrounding the project locale, through improved air quality, reduced odors and health impacts, and improved water quality and habitats.

Offsets are also key to building a global collaborative community as they foster partnerships between states and regions, encourage other jurisdictions to act, and advance the clean technology revolution around the world. Next year, Ontario is scheduled to join the cap-and-trade program in which California and Quebec jointly participate, and numerous other states and provinces are exploring opportunities to collaborate. Additionally, offsets can be a key mechanism for achieving environmental justice internationally, particularly when offset investments are made in developing countries to defray some of the climate impacts caused largely by emissions from developed countries over the past couple of centuries.

Whether at an 8 or 6 percent offset limit, the offset program is a key feature of the compliance program. And as California's climate policies grow and expand into new jurisdictions and sectors

of the economy, the Reserve will continue to pursue these important, additional emissions reductions, and work to ensure the environmental integrity and financial value of carbon offsets in California and elsewhere.

Best regards,



Craig Ebert  
President

## Forest Project Protocol Version 4.0 adopted by Reserve Board of Directors

The Climate Action Reserve Board of Directors adopted Version 4.0 of the Forest Project Protocol during its meeting on June 28, 2017. Changes to the protocol include expansion of location eligibility to Hawaii, a new public lands baseline methodology for IFM projects, incorporation of the Climate Action Reserve Inventory Tool (CARIT), and several other updates to enhance usability. The updated protocol aims to increase uptake of the voluntary protocol while also setting an example on key policy updates for future consideration by the California Air Resources Board.

[Read more](#)

## Reserve announces rate decrease

The Reserve is pleased to announce that its Offset Credit Issuance Fee has decreased from \$0.22 per credit to \$0.19 credit effective July 1, 2017. Since the program was launched, we have continuously worked to provide the highest standards of service, operate as efficiently as possible, and be the most knowledgeable offsets registry to serve the carbon markets. The fee decrease is a reflection of our success in these areas. Our ultimate goal is to develop, promote and support credible market-based climate change solutions. The Reserve will continue to work closely with its account holders, other market players, regulators and legislators to support and promote strong, robust offset markets now and into the future. Additional information on the rate decrease is available on the [Reserve website](#).

## Apply to participate in the Nitrogen Management Project Protocol workgroup

With the support of the U.S. Department of Agriculture, Natural Resources Conservation Service, under the Conservation Innovation Grant program, the Reserve is revising and expanding its Nitrogen Management Project Protocol (NMPP) to improve protocol use and applicability. The Reserve is inviting stakeholders to join the multi-stakeholder workgroup supporting the update and expansion of the NMPP to Version 2.0. If interested, please complete and email the [Stakeholder Statement of Interest \(SOI\) form](#) to [policy@climateactionreserve.org](mailto:policy@climateactionreserve.org). SOI forms will be accepted on a rolling basis, but stakeholders are encouraged to submit them by Friday, July 14, 2017. The Reserve plans to hold three workgroup meetings in the next few months, and hopes to present an expanded NMPP Version 2.0 to the Reserve Board of Directors for adoption in January 2018.

[Read more](#)

## Climate Action Offsetter: The City of Austin advances toward carbon neutral operations by 2020



In 2007, the City of Austin's Mayor and Council approved a resolution to make Austin a leading city in the fight against climate change by establishing the goal of carbon neutral municipal operations by 2020. Since that time, City of Austin departments have been implementing greenhouse gas emissions reduction plans that have resulted in a 75% reduction from the baseline in 2007 and began purchasing carbon offsets in 2013 to reduce emissions by 5% per year.

The City of Austin identified several additional benefits to carbon neutrality that could be achieved with purchasing carbon offsets from local or regional projects:

- A stronger local economy.
- Reduced pollutants that can impact the health of constituents.
- Job creation for people in the community.

[Read more](#)

## Tips for developing an effective climate advocacy campaign

Environmental Defense Fund (EDF) Climate Corps recently hosted a Climate Advocacy Workshop for a select group of Climate Corps alumni in Austin, Texas. At the advocacy workshop, Jared Carter of Vermont Law School detailed what it means to be a climate advocate, what others have done, and what actions we can take today.

If you, too, want to advocate for climate progress, and may not be sure where to begin, please check out our blog post written by Trevor Anderson on tips for developing an effective advocacy campaign.

[View blog post](#)

## Newly registered projects in the Reserve

Projects in the Climate Action Reserve achieve registered status upon successfully completing verification by an independent, accredited verification body.

### [Hollow Tree](#)

Location: Mendocino County, California  
ROCs issued: 817,984

### [Forest Carbon Partners - Mescalero Apache Tribe Improved Forest Management Project](#)

Location: Otero County, New Mexico

ROCs issued: 4,455,664

### DPC Domestic ODS Destruction Project #28

Location: East Liverpool, Ohio

ROCs issued: 55,471

### A-Gas Americas 2017-3

Location: Bowling Green, Ohio

ROCs issued: 140,709

[View public reports](#)

## Calendar of events

July 18, 2017

9 am - 10:15 am PT

### **Webinar: The Future of California's Cap and Trade Program - Policy Choices and Implications for Cross-Border Linkage**

Hosted by the Nicholas Institute for Environmental Policy Solutions, Duke University Energy Initiative, the Smart Prosperity Institute, the University of Ottawa Institute of the Environment, and Resources for the Future

[More information](#)

July 27-28, 2017

9 am - 5 pm PT

### **California ARB Board Meeting**

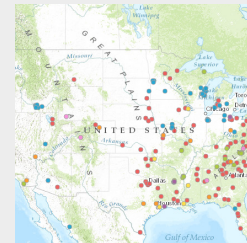
Sacramento, California and via webinar

[https://www.arb.ca.gov/app/calendar/cur\\_evnt.php](https://www.arb.ca.gov/app/calendar/cur_evnt.php)

[2016 Annual Report](#)

[Webinar Archive](#)

[Map of Projects](#)



## ABOUT THE CLIMATE ACTION RESERVE

The Climate Action Reserve is the most experienced, trusted and efficient offset registry to serve the carbon markets. With deep roots in California and a reach across North America, the Reserve encourages actions to reduce greenhouse gas (GHG) emissions and works to ensure environmental benefit, integrity and transparency in market-based solutions to address global climate change. The Reserve program promotes immediate environmental and health benefits to local communities and brings credibility and value to the carbon market. The Climate Action Reserve is a private 501(c)(3) nonprofit organization based in Los Angeles, California. For more information, please visit [www.climateactionreserve.org](http://www.climateactionreserve.org).

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